

## ■ **New Underground Storage Tank Tax and Environmental Impact Fee Exemption**

### **TO: Licensed Receivers of Motor Fuel, Aviation Fuel, Home Heating Oil, and Kerosene**

**Effective January 1, 1997,** diesel fuel sales to qualifying ships, barges, and vessels will be exempt from the Underground Storage Tank Tax (UST) and the Environmental Impact Fee (EIF).

To qualify for the exemption, the diesel fuel must be consumed or used in the operation of ships, barges, or vessels, all of which are used primarily in or for the transportation of property in interstate commerce for hire on rivers bordering Illinois. In addition, a licensed receiver must deliver the diesel fuel to the purchaser's barge, ship, or vessel while it is afloat upon a bordering river.

### **How do I report this new exemption?**

Report the exempt diesel fuel sale on Form RMFT-17, Schedule LB, and Form RMFT-5-US, Underground Storage Tank Tax and Environmental Impact Fee Receiver Return, Line 6c.

### **What changes were made to the return and schedule?**

Form RMFT-17, Schedule LB, Line 12, and the instructions were changed to accommodate the new exemption. In addition, Line 6c was added to the non-taxable sales and losses section on Form RMFT-5-US.

### **Do I have to obtain an exemption certificate when making this exempt sale?**

No. There is no exemption certificate; however, you must make a notation on the invoice or sale slip covering each sale of tax-exempt fuel. You must also keep books and records showing all purchases, receipts, losses through any case, sales, distributions, and uses of fuels.

### **If I deliver diesel fuel into my customer's bulk storage tank and my customer then fills his or her own supply tank from this bulk tank, can I sell the diesel fuel tax free to my customer?**

No. The diesel fuel must be delivered to your customer's barge, ship, or vessel while it is afloat upon a river bordering Illinois.

### **Questions?**

If you have questions or need more information, please call or write us. Our telephone numbers and address are printed at the bottom of this bulletin.

